

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)	
STARION ENERGY NY INC.)	Case No. U-18366
for a license as an alternative gas supplier.)	
_____)	

At the August 23, 2017 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
Hon. Norman J. Saari, Commissioner
Hon. Rachael A. Eubanks, Commissioner

ORDER GRANTING LICENSE

On April 10, 2017, Starion Energy NY Inc. (Starion) applied for a license to operate as an alternative gas supplier (AGS) within Michigan pursuant to 2002 PA 634, MCL 460.9 *et seq.* (Act 634). As part of its application, Starion provided information to demonstrate compliance with the AGS license requirements set forth in Act 634 and the Commission's March 12, 2003 order in Case No. U-13694 establishing the AGS licensing procedure (March 12 order).

Act 634 requires an AGS to have the necessary financial, managerial, and technical capabilities to serve customers within the state of Michigan.¹ In accordance with the March 12 order, the Commission Staff (Staff) must review the application of the AGS licensure for conformance with Act 634 and with the Commission's orders. The Staff then must recommend appropriate action regarding that application to the Commission.

¹ See, 2002 PA 634, MCL 460.9b(3).

The Staff reviewed Starion's license application and information and has recommended this company be granted a license to operate as an AGS in Michigan.

The application indicated that Starion is a wholly-owned, privately held company headquartered in Middlebury, Connecticut. Starion was organized in Delaware on April 8, 2010. Starion registered with the Michigan Corporations Division on July 16, 2014, ID Number 60743P.

Starion, with its subsidiary and parent company, Starion Energy PA, Inc. and Starion Energy, Inc., collectively serves approximately 125,000 combined retail electric and gas customers and approximately 20,000 retail gas customers in Connecticut, Massachusetts, New York, Pennsylvania, New Jersey, Delaware, Illinois, Ohio, Maryland, and the District of Columbia. Starion began offering natural gas service to customers in New York in 2013, and expanded to Ohio the following year. It will offer natural gas to customers in Indiana later this year.

Upon review of Starion's personnel descriptions and histories, the Staff observed that its key personnel are seasoned executives with experience in the energy industry from managing and overseeing operations to marketing, sales, and customer service. Starion will respond to customer inquiries and complaints during regular business hours in a timely manner through its contracted customer call center, which is supported by its in-house customer service and supervised by its management team. Based on its review, the Staff has determined that Starion is well-qualified with sufficient experience and expertise to serve customers in Michigan's Gas Customer Choice Program.

Based upon the information provided by Starion and the recommendation of the Staff, the Commission finds that Starion possesses the appropriate managerial and technical capabilities to serve customers within the state of Michigan.

Starion has provided the Staff with a letter of credit in the amount of \$100,000. Based on its review of the financial documents and the satisfied bond requirement, the Staff determined that Starion's financial capabilities and availability meet Act 634 requirements. The Commission agrees.

Act 634 requires Starion to maintain an office within the state of Michigan.² Starion has an established office in Ann Arbor, Michigan. The Staff determined that Starion has met the office requirements for licensing. The Commission agrees.

Based on Starion's submissions and the Staff's review, the Commission finds that Starion's request to be licensed as an AGS is reasonable and in the public interest, and that it should be approved. However, the grant of the license is conditioned upon compliance with all of the applicable provisions of Act 634, the Commission's orders and administrative rules, and each of the delivering natural gas utilities' tariffs. Failure to comply with any of these provisions may result in revocation of the license or other penalties.

THEREFORE, IT IS ORDERED that:

A. Starion Energy NY Inc. is granted a license as an alternative gas supplier.

B. Starion Energy NY Inc. shall comply with the regulatory requirements specified in 2002 PA 634, MCL 460.9 *et seq.*; the Commission's orders and administrative rules approved by the Commission; and each of the delivering natural gas utilities' tariffs.

The Commission reserves jurisdiction and may issue further orders as necessary.

² See, 2002 PA 634, MCL 460.9b(2).

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, under MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel. Electronic notifications should be sent to the Executive Secretary at mpscedockets@michigan.gov and to the Michigan Department of the Attorney General - Public Service Division at pungpl@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Sally A. Talberg, Chairman

Norman J. Saari, Commissioner

Rachael A. Eubanks, Commissioner

By its action of August 23, 2017.

Kavita Kale, Executive Secretary